

Message Text

UNCLASSIFIED

PAGE 01 BERN 01804 271451Z

71

ACTION EUR-12

INFO OCT-01 AF-08 IO-13 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 OES-06 INT-05 FEA-01 L-03 H-02

/131 W

----- 008647

R 270959Z APR 76

FM AMEMBASSY BERN

TO SECSTATE WASHDC 2491

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

USDEL MTN GENEVA

AMCONSUL ZURICH

UNCLAS BERN 1804

PASS TREASURY AND FRB

EO 11652: NA

TAGS: EFIN ECON

SUBJ: SWISS FINANCIAL AND ECONOMIC REPORT: WEEK OF APR 18-24

1. SUMMARY: THE DOLLAR TRADED WITHIN NARROW MARGINS AGAINST THE SF THROUGHOUT THIS FOUR-DAY WEEK IN A RELATIVELY QUIET MARKET. THE ANNOUNCEMENT OF RESTRICTIONS ON THE IMPORTATION OF BANKNOTES HAD LITTLE OR NO EFFECT ON THE SF/DOLLAR RATE OF EXCHANGE. OPEC MINISTERS MET IN GENEVA; ACCORDING TO PRESS REPORTS THERE WAS NO QUOTE REAL UNQUOTE DISCUSSION OF PRICES,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BERN 01804 271451Z

AND THE PRIMARY PURPOSE OF THE MEETING WAS TO FORMULATE

INSTRUCTIONS FOR THE APR 26 MEETING OF THE OPEC ECONOMIC COMMITTEE.
THE COMMERCIAL BANKS LOWERED THEIR RATES ON TIME DEPOSITS BY
0.25 PERCENT. END SUMMARY.

FINANCIAL

2. FOREIGN EXCHANGE AND GOLD. THE DOLLAR HELD NEARLY STEADY IN
RELATIVELY QUIET TRADING THROUGHOUT THIS FOUR-DAY WEEK. THE MARKET
WAS CHARACTERIZED BY DEALERS AS QUOTE NERVOUS UNQUOTE ON APR 22,
IN REACTION TO THE ANNOUNCEMENT OF RESTRICTIONS ON IMPORTS OF
FOREIGN BANKNOTES (BERN 1693 AND 1771) BUT TRADING WAS LIGHT,
AND AS ANTICIPATED THE NEW RESTRICTIONS HAD LITTLE IMPACT ON
THE DOLLAR RATE OF EXCHANGE. THE GOLD MARKET WAS ALSO QUIET.
AS WAS THE CASE LAST WEEK, PRICES FLUCTUATED WITHIN FAIRLY
NARROW MARGIN, CLOSING AT THE SAME AMOUNT ON THREE OF THE
FOUR WORK-DAYS. RATES AS FOLLOWS:

	4/20(OPEN)	4/23(CLOSE)
SPOT DOLLARS	SF 2.5270	SF 2.5275
FORWARD DISCOUNTS (PCT.P.A.)		
ONE MONTH	- 4.38	- 4.55
2 MONTHS	- 4.26	- 4.36
3 MONTHS	- 4.22	- 4.22
6 MONTHS	4.14	4.14
12 MONTHS	3.87	3.86
SF/DM	SF 99.52	SF 99.54
GOLD	\$128.00	\$127.00

3. MONEY AND CAPITAL MARKETS

THE MARKETS WERE QUIET. THE CALL MONEY RATE WAS UNCHANGED AT
0.25 PERCENT ALL WEEK. STOCK PRICES ROSE, AND THE SKA INDEX WAS
UP FROM 205.8 (END 1959 EQUALS 100) ON APR 20 TO 208.3 ON
APR 23. THE MEDIAN YIELD ON CONFEDERATION BONDS ROSE FROM 5.18
PERCENT AT THE CLOSE ON APR 15 TO CLOSE AT 5.19 PERCENT ON APR 23.
THE BANKS LOWERED THE INTEREST RATES ON TIME DEPOSITS BY 0.25
PERCENT. THE RATES ARE NOW AS FOLLOWS: 3-5 MONTHS, 1 PERCENT;
6-11 MONTHS, 1.75 PERCENT; 1 YEAR, 2.75 PERCENT. NEW LOANS
INCLUDED A 60 MILLION FRANC BOND ISSUE OF THE CANTON OF GENEVA,
OVERSUBSCRIBED AT 5 AND ONE-HALF PERCENT, A 20 MILLION FRANC
ISSUE BY THE CANTONAL BANK OF SCHWYZ, ALSO AT 5 AND ONE-HALF
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BERN 01804 271451Z

PERCENT AND ALSO OVERSUBSCRIBED. NEW ISSUES ANNOUNCED INCLUDED
A 6 AND THREE-FOURTHS PERCENT 15-YEAR BORROWING OF 80 MILLION
FRANCS BY THE OESTEREISCHISCHE DONOUKRAFTWERKE AG, VIENNA,
GUARANTEED BY THE AUSTRIAN GOVT, ISSUE PRICE TO BE ANNOUNCED,
AND A 120 MILLION 15-YEAR BORROWING BY SANDOZ AG AT 5 AND THREE-
FOURTHS PERCENT AND 100 PERCENT OF PAR.

4. MEETING OF THE SWISS FEDERAL COUNCIL ON MONETARY ISSUES

A LARGE PART OF THE WEEKLY MEETING OF THE SWISS FEDERAL COUNCIL WAS DEVOTED TO MONETARY QUESTIONS. THE RATE OF EXCHANGE AND ITS EFFECTS ON SWISS EXPORTS WERE THE CENTRAL ISSUES DISCUSSED, AS WELL AS THE STATE OF THE SWISS CAPITAL MARKET. NO NEW DECISIONS WERE MADE.

5. ECONOMIC

OPED MINISTERS MET IN GENEVA THIS WEEK, AS REPORTED IN BERN'S 1729, 1760 AND 1792. ACCORDING TO PRESS REPORTS THERE WAS NO QUOTE REAL UNQUOTE DISCUSSION OF PRICES; THE PRIMARY PURPOSE OF THE MEETING WAS TO FORMULATE INSTRUCTIONS FOR THE APR 26 MEETING OF THE OPEC ECONOMIC COMMITTEE IN VIENNA, AND NO DECISIONS WERE TAKEN.
DAVIS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, FINANCIAL DATA, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 27 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BERN01804
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760160-0480
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760419/aaaaaqbx.tel
Line Count: 131
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 31 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 AUG 2004 by cookms>; APPROVED <09 DEC 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SWISS FINANCIAL AND ECONOMIC REPORT: WEEK OF APR 18-24
TAGS: EFIN, ECON, SZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006